

FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF
THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO
BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY
D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Elizabeth Danehy Arangio

Information Request DTE 1-25

- Q. Refer to Exhibit KED/EDA-1, Page 24.
- (a) State the year in which Essex committed to purchase a minimum of 2,000 MMBtus/day to satisfy projected customer load requirements on the M&NE system.
 - (b) Explain the basis for the conclusion that “based on the load growth that has actually occurred through the 2003-04 heating season, Essex would have had to purchase a minimum of 5,000 MMBtus/day to meet customer requirements.” Provide all data, worksheets, and assumptions showing the calculation.
 - (c) Is the minimum of 5,000 MMBtus/day that Essex needed to purchase to meet customer requirements additional to the minimum of 2,000 MMBtus/day that Essex already purchased on the M&NE system?
 - (d) Did KeySpan’s most recent Forecast and Supply Plan approved by the Department in D.T.E. 01-105 address the need for incremental capacity on the Essex system? If not, explain.
- A.
- (a) According to the Long Range Resource and Requirements Plan (1996-2001), filed in D.T.E. 97-[x] (at page 55), Essex executed a Precedent Agreement in with the Maritimes & Northeast Pipeline in November 1996 for the sale and delivery of up to 2,000 dth/day of natural gas over a 10-year period beginning on November 1, 1999. However, the Eastern/Essex merger took place in 1998 and a firm transportation agreement was not executed because of the ability to serve the then-existing needs of Essex customers with resources within the integrated portfolio.
 - (b) The Company arrived at the determination that Essex would have had to purchase a minimum of 5,000 MMBtu by analyzing the 2003/04 design year requirements for the Essex service area and comparing that need to the existing resource portfolio *held in the name of Essex Gas*. This analysis showed that, in order to meet customer requirements existing even with the maximum utilization of supplemental resources and underground storage inventories, the Essex portfolio would require approximately 5,000 MMBtu/day of additional citygate deliverability.

- (c) No, the incremental capacity requirement of 5,000 MMBtu/day includes the 2,000 MMBtu/day referenced in part (a) above, which was never actually acquired by Essex.
- (d) In analyzing the incremental capacity requirements of Essex Gas without the ability to rely on resources held by other companies, the Company identified a need for 5,000 MMBtu/day for 2003/04, with that requirement growing by approximately 1,200 MMBtu/day in the future. In its response to Information Request AG 1-4 in D.T.E. 01-105, the Company identified a need for incremental capacity at the Essex citygates on the design day starting in the year 2003/04. The following table lists the year-by-year incremental capacity requirements for that part of the system.

	Essex Design Day Citygate Deliverability Requirements (MMBtu)
2001/02	0
2002/03	0
2003/04	7,000
2004/05	11,000
2005/06	13,000

The much-larger incremental capacity requirements from the Company's analysis in D.T.E. 01-105 were the result of optimization of the KeySpan integrated portfolio.